

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT:

Resolution No. 8757 authorizing the execution of an agreement for a long-term lease with KandD Business, Inc. dba Choice Vendors, Choice Espresso to operate an espresso cart at Bellevue City Hall.

FISCAL IMPACT:

Approving this Resolution will result in the Facility Fund receiving up to \$2,460 per year for a two-year period, with an option to renew for two additional years. These lease payments will offset the utility and other operating costs of City Hall.

The Base Rent shall be increased annually by using the percentage equal to the annual percentage increase in the Consumer Price Index (CPI) for All Urban Consumers in the Seattle-Everett Area for the nearest period preceding the anniversary date. Should the annual percentage rate of CIP be negative, the rent will remain at its then current level.

The lease amount is within the range of the current market for space in the Central Business District (CBD) that would be comparable to the space the vendors would operate from within City Hall. Further, these rates exceed those needed to operate that portion of the building. Excess revenue will be placed into the Facility Fund reserves to pay for future projects or reduce rent to departments operating within the building. The State paid no rent during their operations, which is typical for that type of State supported program.

STAFF CONTACT:

Nora Johnson, Director 452-4167
Frank Pinney, Assistant Director 452-6049
Civic Services Department

POLICY CONSIDERATION

Bellevue City Code:

This motion extends the lease beyond one year and BCC Section 4.30.020 requires City Council approval for leases of more than one year in duration. City property is leased at no less than fair market value.

BACKGROUND

This vendor was selected following an RFP process run in 2011 and has a proven track record of stability and producing a quality product at a fair price. Their original one-year lease was initiated in July, 2011. A two-year extension was approved by Council Resolution No. 8425 on July 16, 2012. Since the cost of conducting an RFP process is greater than the value of the lease and the current vendor is well qualified to continue providing coffee cart services, staff recommends extending the current lease for a period of up to four additional years.

EFFECTIVE DATE

If adopted, this Resolution will become effective immediately.

OPTIONS

1. Adopt Resolution No. 8757 authorizing the execution of an agreement for a long-term lease with KandD Business, Inc. dba Choice Vendors, Choice Espresso to operate an espresso card at Bellevue City Hall.
2. Do not adopt the Resolution and provide alternative direction to staff.

RECOMMENDATION

Adopt Resolution No. 8757 authorizing the execution of an agreement for a long-term lease with KandD Business, Inc. dba Choice Vendors, Choice Espresso to operate an espresso cart at Bellevue City Hall.

MOTION

Move to Adopt Resolution No. 8757 authorizing the execution of an agreement for a long-term lease with KandD Business, Inc. dba Choice Vendors, Choice Espresso to operate an espresso cart at Bellevue City Hall.

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

Lease agreement and operations agreement

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 8757

A RESOLUTION authorizing execution of a two-year lease agreement, with an option to renew for an additional two years, with KandD Business, Inc., dba Choice Vendors, Choice Espresso, to operate an espresso cart at Bellevue City Hall.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES
RESOLVE AS FOLLOWS:

Section 1. The City Manager or his designee is hereby authorized to execute a two-year lease agreement, with an option to renew for an additional two years, with KandD Business, Inc., dba Choice Vendors, Choice Espresso, to operate an espresso cart located at 450 110th Ave NE, a copy of which Lease Agreement has been given Clerk's Receiving No. _____.

Passed by the City Council this _____ day of _____, 2014,
and signed in authentication of its passage this _____ day of _____,
2014.

(SEAL)

Claudia Balducci, Mayor

Attest:

Myrna L. Basich, City Clerk